



# Department of Justice

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(202) 514-2007  
TDD (202) 514-1888

## **EUROPEAN EXECUTIVE AGREES TO PLEAD GUILTY FOR PARTICIPATING IN AN INTERNATIONAL ANTITRUST CONSPIRACY**

### **Executive also Agrees to Serve a Jail Sentence in the United States**

WASHINGTON, D.C. -- Jacques Jourdan, a French executive with Elf Atochem S.A., an international chemical conglomerate based in France, has agreed to plead guilty, to serve a 90-day jail sentence in the United States, and to pay a \$50,000 criminal fine for participating in an international conspiracy to suppress competition in an industrial chemical market for monochloroacetic acid (MCAA), the Department announced today.

MCAA is a reactive chemical compound used in the production of numerous commercial and consumer products, including pharmaceuticals, herbicides, and plastic additives. Annual U.S. sales of MCAA are approximately \$50 million.

In a felony case filed in U.S. District Court in San Francisco, Jourdan was charged with allocating market shares of MCAA sold in the U.S. and elsewhere from 1997 until 1999.

“The Justice Department will effectively enforce the U.S. antitrust laws across international borders,” said Charles A. James, Assistant Attorney General in charge of the Department’s Antitrust Division. “We are committed to investigating and prosecuting all individuals, whether U.S. or foreign citizens, who engage in illegal conspiracies that harm American businesses and consumers.”

Jourdan is charged with conspiring to suppress and eliminate competition among MCAA producers by:

- Participating in meetings and conversations to discuss the market shares of MCAA sold in the U.S. and elsewhere;
- Agreeing, during those meetings and conversations, to allocate among major MCAA producers the market shares of MCAA to be sold in the U.S and elsewhere; and
- Exchanging information on sales of MCAA in the U.S. and elsewhere, for the purpose of monitoring and enforcing adherence to the agreed-upon market shares.

James M. Griffin, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement, emphasized that "the Justice Department is continuing to gather information about these and other violations of United States antitrust laws by international cartels. The cooperation obtained through the case filed today will enhance and further our efforts."

Jourdan has been charged with violating Section 1 of the Sherman Act, which carries a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The charge and plea agreement announced today stem from a continuing investigation being conducted by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

In addition to today's charges, two European corporations and two European executives have been charged with and pleaded guilty to participating in the international MCAA conspiracy. Akzo Nobel Chemicals BV, a Dutch chemical giant, pleaded guilty in June 2001, and

was sentenced to pay a \$12 million criminal fine. Elf Atochem SA pleaded guilty in April, 2002, and was sentenced to pay a \$5 million criminal fine for its role in the MCAA conspiracy. Erik Anders Brostrom, an Akzo Nobel executive and Swedish citizen, also pleaded guilty in July 2001 and was sentenced to serve a three-month jail sentence in the U.S. and to pay a \$20,000 fine. Patrick Stainton, an Elf Atochem executive and citizen of France, pleaded guilty in April 2002 and was sentenced to serve a 90-day jail sentence in the U.S. and to pay a \$50,000 criminal fine. Jourdan, like those who have already pleaded guilty, has agreed to cooperate fully with the ongoing federal investigation of anticompetitive behavior in the MCAA market.

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